

## LNF & IHCIF Calculations Illustration **- COLVILLE in Portland area -**

### Given Data

- 7,321 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 44% = % Expenditures on purchased services, 56% = % expenditures in-house
- 111.9% = Cost index for purchasing health care in this geographic area
- 107.2% = Size cost index for in-house costs due to small or large size
- 96.9% = Portland area cost index for health status above or below average

### Cost Adjustment Calculations

- \$1,464 per person for purchased services =  $44\% * 111.9\% * \$2,980$
- \$1,791 per person for in-house services =  $56\% * 107.2\% * \$2,980$
- \$3,255 per person total = \$1,464 (purchase) + \$1,791 (in-house)
- **\$3,155 per person total** adjusted for health status =  $\$3,255 * 96.9\%$
- **\$2,410 per person net cost** =  $\$3,155 - \$745$  Other resources (M&M&PI)

### Existing Expenditures (for 7,321 users excluding wrap-around and collections)

- \$1,047 per person = local IHS allowance (excludes \$ for wrap-around)
- \$152 per person = expenditures elsewhere in Portland area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,253 per person for OU users** =  $\$1,047 + \$152 + \$54$

### LNF Calculation

- **39.7% Gross LNF** =  $\$1,253$  (expenditures) /  $\$3,155$  total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **52.0% Net LNF** =  $\$1,253 / \$2,410$  net cost ( $\$3,155 - \$745$  other)

### IHCIF Allocation

- \$1,416,245 = \$ to raise LNF% from 52.0% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction =  $\$9,000,000$  fund /  $\$258,040,100$  needed
- **\$49,399 Allocation** =  $\$1,416,245$  needed for 60% \* 3.488% IHCIF fraction

### COLVILLE Unmet Needs

- **\$17,646,805 Net Total Need** =  $7,321$  users \*  $\$2,410$  net cost
- **\$8,474,967 Net Unmet Need** =  $(100\% - 52.0\% \text{ LNF}) * 7,321$  users \*  $\$2,410$  net cost